



PUBLIC AFFAIRS STAFF

Mr. Frank Carlucci
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MORI/CDE

FRANK CARLUCCI: Thank you very much, Herb. Members

Members of the New York State Society of Washington, welcome to the Central Intelligence Agency. And I dare say that this kind of a session would never have been held 10 years ago, or perhaps even as recently as four or five years ago. But it does indicate the changed climate in which we're operating and it does indicate the Director's and my very strong feeling that we have a responsibility, to the extent that it is consistent with our responsibilities to protect our sources and methods, to keep the American public informed about what we are doing in the Central Intelligence Agency and, indeed, in the community as a whole.

Because as some of you may be aware, Admiral Turner and I wear two hats. We direct the day-to-day activities of the Central Intelligence Agency, but we also, under presidential executive order, have a responsibility for coordinating the activities of the intelligence community as a whole. That means coordinating the various intelligence components in such diverse agencies as the Department of State, Department of Defense, Treasury Department, Energy Department, and several others.

So it is a far-flung responsibility, but one that, I dare say, we both find tremendously interesting and challenging at the present moment.

That may sound like a truism, as you pick up your Washington Post every morning and read about one article after another -- read one article after another about the CIA or about the spy business. But it really wasn't in that sense that I made the previous comment.

I think it's particularly challenging today because we are engaged in an experiment the likes of which the world has never seen. That is, how do you define the role of a secret agency in a free society? Where do you draw the bounds between protecting your sources of information, between operating effectiveness and the public's right to know and the constitutional liberties of our citizens? It's a very, very difficult area, but one which I think is essential, not only to the preservation of our democratic system, but also to the continued effective functioning of our intelligence community.

These are also interesting times because there has never before been, in my judgment, such an intense interest in the output of the intelligence community. As you're probably

As you're probably all aware, this agency had its genesis as a result of the Pearl Harbor debacle, when America learned a very painful lesson. It's now quite clear, in retro-

spect, that there was sufficient information available in advance to warn us about Japanese intentions at the time of Pearl Harbor. But there was no organization that would pull it together and present it to the President of the United States, that would evaluate it and present it to him.

The result was the creation of the OSS, succeeded by the Central Intelligence Agency. And the focus at that time was almost completely on our adversaries: What were they doing? What was their strategic capability? And there was considerable margin for error, as we went through the years, in our intelligence capability because we were the foremost power in the world.

That situation has changed, as we're all aware, and we're now living in an age which might be described as an age of the balance of terror. And when we talk about strategic parity, we're talking about something that's very complex. I doesn't mean that we have exactly the same number of missiles that the Soviets have, or airplanes or tanks, or whatever have you. We are saying that when you add up all of their war-making potential and add up all of ours, there's approximate parity. But this has to include geopolitical factors as well as simple military factors. It has to include intentions, not just armament. And a slight alteration in some part of the world can significantly affect this overall balance.

So the intelligence that we receive in this day and age could just provide that critical margin of difference. In short, we can no longer afford to make the kinds of errors that we made, that we were able to make in years past and still not worry about our survival.

Similarly, the nature of the intelligence business has changed rather dramatically, as the world has, in effect, grown smaller and as we have tried to negotiate different agreements with our adversaries. It's no longer enough to worry about the strategic balance, nor is it enough to worry about the situation in a given country, because the world today is too interrelated.

Just to take the most obvious example, one cannot worry about the situation in Ethiopia without taking into account the situation in the entire Horn of Africa: What is happening in Somalia? How does it impact on Kenya? What about the Sudan? Then you move down a notch and you say, "Well, you'd better start worrying about Zaire. But then let's look over and see what's going on in Zimbabwe, Rhodesia. Angola impacts on that. But moving up, back to the North, it's very clear that the Saudis are extremely concerned about what's going on in the Horn of Africa. They relate it to the People's Democratic Republic of Yemen. Further on, they look at the situation in Iraq, Syria. Then you have Iran; and, above that, Afghanistan."

Some people tend to see a grand design. I don't see any grand design. But it's not longer possible to look at any of these situations in isolation. It's no longer possible to have an analyst for Country X and say, "You just tell us about Country X."

No, our collection capability and our analytical capability have to be much broader than they were in years past.

Similarly, we have to worry about such matters as nuclear proliferation, very fundamental to our security, an issue that was hardly in the public eye 10 or 15 years ago.

Or, to take a SALT treaty. A SALT treaty is really only as good as our capability to monitor it. And this, in turn, falls back on the intelligence community.

Or we can consider two completely new areas, the area of drug abuse and terrorism. Our very families are affected by the drug traffic overseas, and we need good intelligence on where this traffic is taking place, so that our law enforcement authorities and our policymakers can take the necessary steps to stop it.

Terrorism, fortunately, has not reached this country. We hope it never will. But the best way to stop a terrorist group is to penetrate them and know where they're going to hit. This raises very real dilemmas. If you penetrate a terrorist group, do you allow your agent to participate in a murder? Obviously not. Okay, well how about a bank robbery? Well, I don't know. How do you tie in this kind of intelligence operation, which can save lives and has saved lives, including the lives of our own ambassadors, how do you tie it in with the ethical standards that we expect from our intelligence agencies today? Very complex questions.

Or the economic issue. Our security is not purely related to political and military developments around the world. We find it's very closely tied to such things as the growth rate in Germany; or, to take a more obvious example, the whole issue of natural resources, petroleum resources: Is there or is there not going to be a shortage in the 1980s?

Whether you agree with the study that the CIA put out, I think you'll all have to agree that these are very fundamental issues that have to be addressed in the context of today's world, as contrasted with the world as it existed when the CIA was first established

I would say that, as we look at the issues we face, the least of our concerns is the continuing revelation of past scandals. I don't say that out of any -- in any attempt to excuse

some of the excesses that took place. Certainly, a large number of them were inexcusable, whether they were committed by individuals in this agency, which is much less frequently the case than is supposed, or whether they were ordered by political authority. Obviously, we want to air all those and learn whatever lessons we can from them.

I would say our principal concern today is our ability to protect those who are providing us information. Notice that I say "protect those who are providing us information." I don't say protect the information itself, unless revealing that information can reveal and jeopardize the person who supplied it. Because without the ability to maintain confidentiality, you cannot have an intelligence organization. Nobody is going to put their life in your hands if they think they're going to read their name in the Washington Post or the New York Times or see it emerge in a congressional hearing at some future date.

And that fear is very real. It has impacted on our liaison services. It has impacted on our network of agents around the world. I wouldn't say it's been disastrous. It's awfully hard to measure how much you aren't hearing. But I think there has been an impact.

And secrecy is not a new concept in this country. We respect the confidentiality of the doctor-patient relationship, the lawyer-client relationship, the confidentiality of bank records, the confidentiality of grand juries, and we're even reading in the press today about the press's right to respect the confidentiality of their sources. And I would only hope that over a period of time they would take up the cudgel on behalf of our right in the intelligence business to protect the confidentiality of our sources. Because without that right, it's very simple: An intelligence organization cannot exist.

We need to strike the right balance between the public's right to know and our need to protect our sources. We think we can strike that balance by making as much of our product public as we can without compromising the sources of our information.

The agency has in the past two -- two years, has put out an unprecedented number of publications. These publications are made available in libraries throughout the country, they're made available through the Department of Commerce, they're made available in a number of ways.

We -- at the same time, we think we need stronger measures to prevent unauthorized information from coming out. It's a fact today that a person can be prosecuted for giving out certain kinds of information in the Department of Commerce or in the Comptroller of the Currency or for talking about com-

modity futures in the Department of Agriculture. You don't have to prove intent; all the person has to do is give out the information, and they're subject to fines, in many cases prison sentences.

If you give out national security information, there's no such provision. You have to prove the intent to commit espionage, which, of course, is a very difficult thing. So that means that people are really quite at liberty to give out information in the national security area.

We try to correct this to the degree that we can by having our employees sign an agreement stating that they would clear publications with us before they go to press. This doesn't mean that we have a right to censorship, contrary to a number of editorials that you've read. It means that we can go to the employee and say, "We think you ought to take this out because it is going to compromise a source." If that employee or former employee disagrees, then our own alternative is to seek an injunction to stop it. We are not asking for the right of censorship. What we are asking for is the right to review so that we can protect people's lives.

We are also suggesting that the United States try to develop more effective legislation to deal with the compromise of national security information.

Similarly, we think we need to strike a balance in making our finished product available and making information available from the raw files. I agree fully with the intent of the Freedom of Information Act. I think the public ought to have access to information in government. But the Freedom of Information Act, as it's constructed, provides an exemption for national security information.

Now, in an agency like CIA, that means that virtually everything that's worthwhile is -- that is in the raw files, is exempt. Consequently, we spend approximately 109 man-years and 2 1/2 million dollars busily blanking out paragraphs, words from files so that they can be turned over to the public. And when they're turned over, in 95 percent of the cases, they're absolutely meaningless.

I would contrast this with the approach we are trying to take of declassifying the finished product, where we can provide some analysis and meaningful information to the public.

The issue of accountability is one which has received a lot of attention in the past year or two. And let me say at the outset that we fully support the effort to develop charter legislation for the intelligence community. Indeed, we're quite enthusiastic about it, because we think that this will give us

the authority, that has never existed heretofore, to conduct our programs. Like everybody in every government agency, I would argue in favor of true charter legislation, legislation written in broad terms, rather than legislation that gets into internal management. But this, of course, is an issue which is the subject of constant dialogue with the Congress, whether you're in CIA, HEW, HUD, or any other government agency.

There is a tendency to glorify the so-called whistleblower approach today. And mind you, I think that a certain amount of whistle-blowing is very healthy. I think that every agency has to have a well-established grievance mechanism, well-established channels for dissent. Indeed, the heart of intelligence is to reconcile differing points of view, and dissent is absolutely essential to the system. Moreover, we have to have channels for employees who believe that wrongdoing has taken place can make their views known. Such channels have been set up. There is an Intelligence Oversight Board consisting of three very distinguished Americans, Tom Farmer, Governor Scranton, and former Senator Gore, which reports directly to the President. Any employee in CIA can go directly to the Intelligence Oversight Board, without talking to the Director or any of this supervisors -- he can go directly to the Intelligence Oversight Board any time he believes some wrongdoing exists, and the Intelligence Oversight Board has a thorough charter, a complete charter to investigate and make recommendations directly to the President. Indeed, employees have a right to go to our oversight committees and make their views known. And we encourage this, think this is the proper procedure.

But to let every employee determine what is right or what is wrong in an agency is trying to make government work by chaos. It just cannot be done. We need to protect the employees, let me emphasize; but there ought to be mechanisms, particularly in an agency that deals with national security, in which they can make their views known consistent with the country's need to protect its national security information.

By way of a status report -- and I'm frequently asked this question: How are we doing vis-a-vis the other side? I think it's fair to say that, in terms of our technical systems, we are way ahead. In terms of resources that are put into the intelligence business, they are way ahead. They put far more resources, they have far more people. I'm by no means convinced that their people are as good as ours. In fact, I'm convinced of the opposite. Also, they have a built-in handicap. In any kind of closed system, it becomes very difficult for people to exercise independent judgment and to send back intelligence information which may not coincide with the views of those in power.

Furthermore, there's one rather bizarre advantage that

I think we have, and that is that the system of the Soviet Union -- in the Soviet Union teaches them to be skeptical of everything, to be suspicious of every bit of information that comes out. And there is so much information that comes out about U.S. security in the press and in magazines that we are certain that they don't believe half of it, that they tend to discount a great deal of it. That, in turn, as I say, is somewhat of an advantage for us.

Perhaps most importantly, in terms of our analysis, I think we are light years ahead of the other side. We have developed in the intelligence community a very considerable analytical technique. We've developed a system for challenging our analysts, so that we get all points of view in. And we've developed a system for making sure that our analysis meets the needs of the ultimate consumers, who are, of course, the President, the various Secretaries involved in foreign affairs, and, more recently, the appropriate committees of Congress.

All in all, I think I can report to you that we in the intelligence business are quite optimistic about the future. We think we have very good support throughout the country. Sure, we've had some problems with the Congress, but we are developing excellent relations now with our various oversight and appropriations committees; they are taking a very deep interest in everything we are doing. They are as security conscious, I dare say, as we are. And I am quite optimistic that we can develop the kind of charter legislation that will both protect our people's civil liberties and strengthen the effectiveness of the intelligence community.

Thank you very much.

[Applause]

...take some questions. People who have questions. Yes, sir.

MAN: [Inaudible]

CARLUCCI: Well, I don't know what you mean by failure. I suppose failure would be an inability to develop charter legislation. I don't really see that happening. I think our view is close enough to the congressional view that sooner or later some form of charter legislation will pass. If it doesn't, I think we have developed, over the past couple of years, a number of safeguards in the intelligence community -- one that I mentioned, the Intelligence Oversight Board. Another is the presidential executive order with the procedures set up by the Attorney General for surveillance on Americans, with the various wiring diagrams of how the intelligence community ought to be organized, with our own set of rules on how we will deal with the press and the academic community. So that a number of the concerns that existed in the past

have already been met.

I would prefer to see these things endorsed. I'm not sure every detail ought to be in, but I would prefer to see them endorsed in charter legislation. And I'm quite confident that we can get there.

Yes, sir.

MAN: President Carter has complained recently that the Congress was tying his hands in responding to certain Soviet activities in Africa. Do you feel that the Congress is hampering CIA activities, or has hampered them?

CARLUCCI: No, I don't feel that the Congress is hampering CIA activities. I prefer not to speak to the past, because I haven't -- I've only been here six or eight months.

I think, to the contrary, there's a good deal of support, as I indicated, particularly on our authorizing and appropriations committees.

This isn't to say that there aren't problems. I think there has been an elaborate set of procedures established which at some point in time, probably in the context of the charter legislation, should be reviewed.

Let me just give you a very simple example, a true example. In terms of the Hughes-Ryan Amendment and the definition of covert action, during the time of the Moro kidnaping we received a request from the Italian government to provide a psychiatrist who knew something about terrorism. I instantly said, "Yes." The lawyers came in and said, "No, that's a covert action; and to do that you will need a presidential finding, and we will have to brief the members of Congress," and the briefing includes briefing up to 140 members of Congress. The President, at that point in time, happened to have been in Brazil. And I said, "Well, that's really quite ridiculous, to have to go through this to put a psychiatrist on an airplane." I called up my friends in the State Department and asked them if they had a psychiatrist, and they said, "Yes." I said, "Would you please put him on an airplane and send him to Rome?" Which they did.

Now, I am sure that it was not the intent of those who passed the Hughes-Ryan Amendment to impede that kind of activity. They were trying to erect certain safeguards and, I think, basically, trying to participate in the process through legitimate oversight.

I think these kinds of things, these kinds of procedures need to be reexamined. But I am confident we will be able to do that over the course of the next year or so.

MAN: [Inaudible]

CARLUCCI: We do not have access to the activities of the Intelligence Oversight Board, for very obvious reasons. I would hazard a guess that, yes, some CIA employees have gone to the Intelligence Oversight Board. I am aware of some outside people who have gone to the Intelligence Oversight Board, as well.

As far as the morale of CIA employees is concerned, I would describe it as decidedly on the upswing. You don't go through the kind of attacks that the agency has been through over the course of the past couple of years and not have it affect morale, particularly since the vast majority of people in this agency are dedicated, loyal employees who indeed accept sacrifices that are rather uncommon in government. In many instances, they can't even tell their families what they're doing. They serve in hazardous areas. And to have them treated as people who can only be mistrusted and to have them looked upon as pariahs is bound to affect morale.

It's coming up principally for one reason, and that is that the product that they produce is receiving greater attention. We've got a President who's extremely interested in intelligence, he's interested as a consumer. He reads it and goes into it in some depth. It helps him a great deal. He's made that known. Similarly, other members of the Cabinet use the product a great deal.

They sense that our relations with the Congress are improving. They sense that public opinion is swinging around and is more supportive.

So, in a word, I think they're seeing the light at the other end of the tunnel. I think morale is improving.

MAN: I've had young people ask me how they would get into the agency. I'm in the government myself, but I've never been able to find out the answer.

CARLUCCI: Well, you may have noticed that we advertised in the New York Times the other day, and that was picked up as great news by some of the networks; it went all across the country. And as a result, we had a jump in our applications.

The fact is, we do advertise. People take examinations, somewhat like you take an examination for the Foreign Service. This is followed, I believe -- correct me if I'm wrong, Herb -- by an oral examination, then the necessary security clearances.

We have quite a substantial number of applicants. I can't remember the exact figure, but I think it's running somewhere in the neighborhood of five or six thousand a year.

The quality continues to be high. In fact, there's a tendency for us to get people who are a little bit more mature these days. The age level is a bit higher, which we think is healthy. They're people with some outside experience.

So we're quite optimistic about our recruitment prospects. But we'd be glad to send you an application form. Herb will take your name and address, and we'll put you through the process.

CARLUCCI: One more question, and I think we probably ought to wind it up.

MAN: I was intrigued by your we-and-they comparison in the intelligence activities. You mentioned only the Soviet Union. What about the other [unintelligible], China and some of the Third World nations?

CARLUCCI: Of course, every nation in the world has an intelligence capability, but none of them represent the kind of threat that the Soviet Union represents. It's not entirely clear how much coordination there is between the Eastern European countries and the Soviet Union in the intelligence business. I think it probably varies a great deal from country to country. I'm sure there's a good deal of coordination, for example, between the Soviet Union and Czechoslovakia and East Germany. I would suspect that there's much less, if any, between Romania and the Soviet Union.

None of these countries, in themselves, represents a significant intelligence threat, nor does the PRC.

Yes, they're a cause for concern, but they don't have the kind of massive presence and massive operations and technical systems that the Soviet Union has.

Thank you very much.

[Applause]